

**Montana Fish, Wildlife and Parks
Wildlife Division**

DRAFT ENVIRONMENTAL ASSESSMENT (EA)

COTTONWOOD BEND CONSERVATION EASEMENT PROPOSAL

I. INTRODUCTION

Montana Fish, Wildlife & Parks (MFWP) proposes to purchase a conservation easement on the Cottonwood Bend property, consisting of approximately 164 acres of private land near Hinsdale. The property includes 1.75 miles of Milk River riparian habitat, along with hay meadows and managed cropland. This conservation project reflects the desire of all parties to continue the landowner's agricultural operation, while maintaining and enhancing wildlife habitats. This easement will keep the property in private ownership and operation, preserve important wildlife habitats and guarantee managed public access for hunting and other recreational pursuits.

II. AUTHORITY AND DIRECTION

Montana FWP has the authority under State law (87-1-201, Montana Code Annotated) to protect, enhance, and regulate the use of Montana's fish and wildlife resources for public benefit now and in the future. As with other FWP property acquisition proposals, the Fish, Wildlife and Parks Commission and the State Land Board (for easements greater than 100 acres or \$100,000) must approve any easement proposal by the agency. This Environmental Assessment (EA) is part of that decision making process.

III. LOCATION OF PROJECT

The Cottonwood Bend property is located approximately 2 miles north of Hinsdale. It consists of 164 acres. The Milk River flows along the north and eastern boundaries. All of the land involved is within deer/elk hunting district 670. A map of the property is included as Appendix I in this document.

IV. PURPOSE AND NEED FOR THE PROPOSED ACTION

The primary purpose of this action is to preserve the integrity of the native habitats and its traditional agricultural use and ownership. The primary habitats represented on the Cottonwood Bend property include riparian corridors, wetlands and grasslands. By maintaining and improving the existing habitat, wildlife use, including white-tailed deer, ring-necked pheasants, Merriam's turkeys, mourning doves, sharp-tailed grouse, several species of ducks, and a wide variety of native species of migratory birds, songbirds, small mammals, and bats will be perpetuated.

A secondary result of this project is guaranteed public access to this farm for hunting and other recreational pursuits. Currently, free public access is allowed on the Cottonwood Bend property. Acquisition of this easement will ensure and promote public recreation on this property and provide additional access to the Milk River.

The need for this project is twofold. First, the need is to secure habitats for wildlife from threat of development. Additionally, the need is to secure the traditional use of this land by farmers, hunters, fishermen, other recreationists, and wildlife against threats of use for other purposes. There are currently several farms along the Milk River for sale at prices that prohibit the purchase of this land by local agricultural producers. These farms are being marketed based on their recreational values and proximity to the Milk River; once purchased, new landowners have typically closed off any public recreational opportunities. A conservation easement on the Cottonwood Bend property would allow this land to remain locally owned and would keep traditional agricultural production as the primary use of this area. Resident and migrating wildlife species would benefit from the improved habitat conditions on this farm, while hunters and other recreationists would gain access to this land, and to the adjacent Milk River.

V. DESCRIPTION OF PROPOSED ACTION

The proposed action is for MFWP to purchase, hold and monitor a conservation easement on the Cottonwood Bend property. This easement would include 164 acres of the ranch which is all the deeded property. The total purchase price for the proposed easement will be based on appraisal, and is estimated to be in the range of \$125,000 to \$200,000. FWP would also cost share fencing and water development materials required to implement the grazing system (approximately \$7,500). FWP's Upland Game Bird Enhancement Program, the State Wildlife Grants Program, and the Montana Fish and Wildlife Conservation Trust are the primary funding sources for this project.

Specific terms of the easement in their entirety are contained in a separate legal document, which is the proposed "Deed of Conservation Easement". This document lists FWP and landowner rights under the terms of the easement as well as restrictions on landowner activities. The rights of both parties and restrictions on landowner activities were negotiated with and agreed to by MFWP and the landowner.

To summarize the terms of the easement, MFWP's rights include the right to:

- (1) identify, preserve and enhance specific habitats, particularly river bottom riparian;
- (2) monitor and enforce restrictions;
- (3) prevent activities inconsistent with the easement;
- (4) ensure public access for the purpose of recreational hunting. Hunting access for all sex and age classes of game animals and game birds during all established seasons will be maintained for a minimum of 200 hunter days each fall, and a minimum of 50 angler days annually.

The Landowners will retain all of the rights in the property that are not specifically restricted and that are not inconsistent with the conservation purposes of the proposed easement, including the right to:

- (1) pasture and graze this land in accordance with the grazing system described in the Management Plan (See Appendix II);
- (2) maintain water resources;
- (3) maintain the existing residences, sheds, corrals, and other improvements at the farmstead located on the farm;
- (4) construct, remove, maintain, renovate, repair, or replace fences, roads and other non-residential improvements necessary for accepted land management practices; and
- (5) control noxious weeds.

The proposed easement will restrict uses that are inconsistent with the conservation purposes of the easement, including the following uses of the property:

- (1) control or manipulation of existing native vegetation, including cottonwood and green ash trees;
- (2) draining or reclamation of wetland or riparian areas;
- (3) any subdivision;
- (4) cultivation or farming beyond existing levels;
- (5) outfitting or fee hunting;
- (6) mineral exploration, development, and extraction by surface mining techniques;
- (7) construction of permanent structures except as described above;
- (8) commercial feed lots; and
- (9) establishment or operation of a game farm, game bird farm, shooting preserve, fur farm, menagerie or zoo;
- (10) commercial or industrial use except traditional agricultural use;
- (11) refuse dumping in riparian and Livestock Exclusion Zones

The conservation easement provides MFWP with the right to restore approximately 2 acres of riparian habitat along the Milk River, in addition to requiring that the landowner maintain the existing 55 acres of riparian vegetation. Riparian restoration may include planting of native vegetation and fencing. On the croplands, the easement will require that the landowner and MFWP work cooperatively to plant dense nesting cover and food plots for game bird habitat on approximately 12 acres.

VI. DESCRIPTION OF REASONABLE ALTERNATIVES TO THE PROPOSED ACTION

The intent of this action on the Cottonwood Bend property is to maintain this land as a traditional Montana working farm. No interest was expressed in a sale of fee title or a long-term lease. Since conservation easements are also FWP's preferred option, the only other alternative in this EA is the "No Action Alternative".

1. No Action Alternative

If the Department does not purchase a conservation easement to protect the Cottonwood Bend property, it will stay in the current landowner's ownership and continue under current management. Currently, recreational access is allowed to the property through the Block Management Program but in the future, could be sold to subsequent landowners that wouldn't support current hunting access values. Additionally the ranch will remain vulnerable to rural subdivision and in the future, could be sold to subsequent landowners that wouldn't support the current values on the land.

VII. EVALUATION OF IMPACTS ON THE PHYSICAL ENVIRONMENT

1. Land Resources

Impact of Proposed Action: No negative impacts would occur as a result of this proposal. The terms of the proposed easement are structured to prevent adverse impacts on soils and vegetation. A grazing plan has been developed and will be implemented that will enhance soil maintenance (Management Plan, Appendix II). Subdivision and development of the land is restricted, as is additional cultivation. The proposed easement will insure that the land resources are maintained.

No Action Alternative: Without terms of the proposed easement being structured to prevent adverse impacts on soils and vegetation, there would likely be no change in the short-term. However, if the land was developed or sold, disturbance of soils from more intense agricultural practices, residential development and other commercial uses could occur.

2. Air Resources

Impact of Proposed Action: There would be no impact.

No Action Alternative: There would be no immediate impact.

3. Water Resources

Impact of Proposed Action: Current agricultural uses on the property have proven to be compatible with maintenance of water quality. However, positive impacts should be realized in surface and ground water as a result of improvements in soil condition and reduction of erosion by developing and improving rest rotation grazing systems, and protecting riparian areas. Additional water improvements will be developed in order to improve livestock distribution, range conditions, and riparian vigor throughout the ranch. There would be no negative impact over what is currently associated with a working ranch operation.

No Action Alternative: There would likely be no impact in the short-term. However, if the land was developed or sold without conservation protection, there would be no assurances that over time the use of this property wouldn't change from ranching and farming to some other use.

4. Vegetation Resources

Impact of Proposed Action: This action would result in a positive impact. The terms of the easement protect the quantity, quality and character of the native plant communities found on the property. The prescribed grazing program will enhance and maintain the vigor and productivity of vegetation on the Cottonwood Bend property. The proposed action also ensures the land's primary use in the future will be farming and livestock grazing, which depend on maintaining a productive vegetative resource. Noxious weed management will be an important component of a successful farm operation.

No Action Alternative: Without protections of the quantity, quality, and character of the native plant communities found on the property, there would likely be no change in the short-term. However, if the land was developed or sold, there would be no conservation measures in place to maintain the productivity of the land. Future impacts to native vegetation and overall productivity of the land could be significant. In addition, there would be no long-term protection of existing native plant communities.

5. Fish/Wildlife Resources

Impact of Proposed Action: This action will benefit a variety of wildlife. The terms of the easement conserve the land as agricultural and open space to provide year-round habitat for many of Montana's native wildlife species. Wildlife and agriculture can coexist well together as demonstrated in Montana today. Conserving native plant communities is important for most of Montana's indigenous wildlife species. Implementation of a rest-rotation grazing system will ensure adequate quantity and quality of forage and cover for a variety of wildlife species. No adverse effects are expected on the diversity or abundance of game species, non-game species or unique, rare, threatened or endangered species. There would be no barriers erected which would limit wildlife migration or daily movements. There would be no introduction of non-native species into the area.

No Action Alternative: Without terms to conserve the land as agricultural and open space to provide year-round habitat for many of Montana's native wildlife species, there would likely be no change in the short-term. However, there would be no provisions preventing development for recreational purposes. If this occurs, open space would diminish over time resulting in significant long-term negative effects to most species of wildlife. There would be no provisions preventing activities such as the construction of fences or other barriers that could inhibit

wildlife movement. Wildlife species would be negatively impacted by the conversion of existing native vegetation to other uses.

6. Adjacent Land

Impact of Proposed Action: No negative impact is expected. Existing fences would be maintained along the perimeter of the Cottonwood Bend property. Public hunting access will help in managing wildlife populations to lessen agricultural damage to this and adjacent ranches. FWP will work with any adjacent landowners that perceive possible impacts.

No Action Alternative: There will not be a change in the short-term, but if the land was developed or sold, it could result in wildlife caused agricultural damage to adjacent private lands.

VII. EVALUATION OF IMPACTS ON THE HUMAN ENVIRONMENT

1. Noise/Electrical Effects

Impact of Proposed Action: No impact would occur over existing conditions.

No Action Alternative: There would be no immediate impact.

2. Land Use

Impact of Proposed Action: There would be no impact with the productivity or profitability of the ranch, nor conflicts with existing land uses in the area. The traditional uses of the land would be maintained under the Proposed Action.

No Action Alternative: If the land was developed or sold, it could affect habitat quality and current wildlife numbers. Public recreational opportunity would very likely be diminished.

3. Risk/Health Hazards

Impact of Proposed Action: No impact would occur.

No Action Alternative: No impact would occur.

4. Community Impacts

Impact of Proposed Action: There would be no anticipated negative impacts to the community. The scenic values and open character of this property would be maintained and enjoyed by the community in perpetuity. This issue is also addressed in the attached Socio-Economic Assessment.

No Action Alternative: Without protection of the scenic values and open character of this property being maintained for enjoyment by the public in perpetuity, hunting access and public access on this ranch would likely be restricted in the future, negatively affecting traditional recreational opportunities in the area.

5. Public Services/Taxes/Utilities

Impact of Proposed Action: There would be no effect on local or state tax bases or revenues, no alterations of existing utility systems nor tax bases of revenues, nor increased uses of energy sources. As an agricultural property, the land would continue to be taxed as it has before. This issue is also addressed in the attached Socio-Economic Assessment.

No Action Alternative: No immediate impact would occur. If rural subdivision did occur in this area in the future, greater demands would be placed on county resources.

6. Aesthetics/Recreation

Impact of Proposed Action: There would be no impact. The easement would maintain in perpetuity the quality and quantity of recreational opportunities and scenic vistas and would not affect the character of the neighborhood. This issue is also addressed in the attached Socio-Economic Assessment.

No Action Alternative: There would be no guarantee of continued public access to the land or across the land for recreational purposes. If rural subdivision and/or other developments occur it would reduce the aesthetic and recreational quality of the area. Future landowners would likely not be as generous with recreational access as the current landowner.

7. Cultural/Historic Resources

Impact of Proposed Action: No impacts are anticipated. However, any surface disturbance associated with grazing improvements to be placed on state and federal land will be subject to any legally required cultural review.

No Action Alternative: Any future developments on this land would likely have an adverse impact on the cultural and historic values of this farm.

8. Socio-Economic Assessment

Please refer to the attached Socio-Economic Assessment for additional analysis of impacts on the human environment.

IX. SUMMARY EVALUATION OF SIGNIFICANCE

The proposed action should have no negative cumulative effect. However, when considered on a larger scale, this action poses a substantial positive cumulative effect on wildlife, range management, riparian habitats and open space. The ranch will remain in private ownership, continue to contribute to agricultural production and thus contribute to the local economy.

The "No Action Alternative" would not preserve the diversity of wildlife habitats in perpetuity. Without the income from the proposed conservation easement, the current landowner or any successor owners might consider other income options including either selling the property or subdividing parts of it, or breaking native prairie for farming. Such land uses could directly replace wildlife habitat and negatively impact important public access to the ranch, the Milk River and Brazil Creek.

X. EVALUATION OF NEED FOR AN EIS

Based on the above assessment, which has not identified any significant negative impacts from the proposed action, an EIS is not required and an EA is the appropriate level of review. The overall impact from the successful completion of the proposed action would provide substantial long-term benefits to both the physical and human environment.

XI. PUBLIC INVOLVEMENT

The public comment period will begin on June 3, 2010 and run through July 2, 2010. Written comments may be submitted to:

Montana Fish, Wildlife and Parks
Attn: Cottonwood Bend Conservation Easement
54078 Hwy 2 West
Glasgow, MT 59230

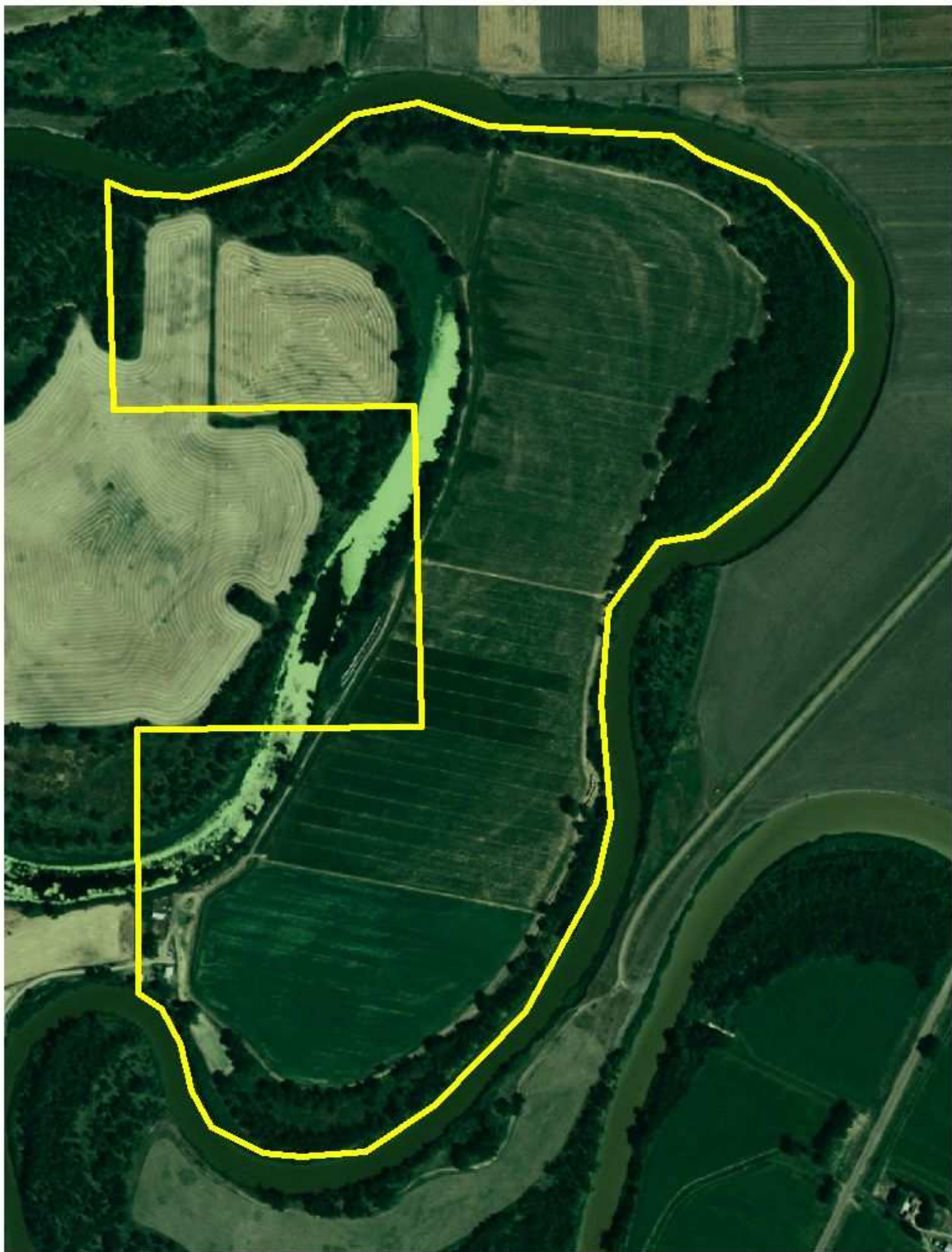
Or comments can be emailed to jelletson@mt.gov.

In addition, there will be a public hearing in Glasgow on June 17, 2010 at the Valley County Courthouse at 7:00 PM.

XII. NAME, TITLE AND PHONE NUMBER OF PERSON RESPONSIBLE FOR PREPARING THIS EA

Kelvin Johnson, Wildlife Management Biologist, Montana Fish, Wildlife, and Parks, 54078 Hwy 2 West, Glasgow, MT 59230, 406-228-3700.

APPENDIX I



APPENDIX II

COTTONWOOD BEND CONSERVATION EASEMENT

MANAGEMENT PLAN

A. INTRODUCTION

This conservation easement is based on the habitat values found on the Cottonwood Bend Property. This working ranch includes 164 acres consisting of a mosaic of riparian communities and agricultural fields. The property contains 1.75 miles of Milk River frontage on its northern, eastern, and southern boundaries; and one oxbow of the Milk River bisects the property. Approximately 54 acres of native riparian habitat buffer the Milk River, and its associated oxbows. The resource value is high based on the desirable quantities and qualities of productivity. According to Montana Fish, Wildlife and Parks (MFWP), riparian and wetland communities support the greatest concentration of plants and animals, yet only constitute 4 percent of Montana's land cover. There are 149 avian species, 22 mammal species, 16 amphibian species, and 6 reptile species that depend on riparian and wetland habitat for breeding and survival, and many of them occur on this property. An additional 72 species thrive in these habitats and benefit from riparian and wetland conservation (*Montana's Comprehensive Fish and Wildlife Conservation Strategy, Executive Summary, 2005*). Available at Montana Fish, Wildlife and Parks, 1420 East Sixth Avenue, Helena, MT 59620, or by internet at: <http://fwp.mt.gov/specieshabitat/strategy/summaryplan.html>.

Primary objectives of this conservation easement include: protection and enhancement of the riparian habitat associated with the Milk River Valley; continuing an active public access travel plan, and maintenance of healthy wildlife populations within this habitat.

Because hunters are funding this easement, game species will be used as indicator species and are prioritized as follows based on habitat availability and potential in this area: whitetail deer, ring-necked pheasants, Merriam's turkeys, mourning doves, and waterfowl (i.e., mallard, green-winged teal, blue-winged teal, northern shoveler, gadwall, American wigeon). Additionally, State Wildlife Grants will provide FWP the opportunity to survey and inventory riparian-associated wildlife species in order to develop a baseline assessment of species richness and diversity.

B. GOALS, OBJECTIVES, PROBLEMS, AND STRATEGIES

GOAL: To protect and enhance the riparian habitat and associated uplands along the Milk River Valley, maximize hunter recreation on these lands, and preserve the overall integrity of these lands for future generations.

Objective 1. Practice proper stewardship, which translates to managing for improved soil composition, structure and productivity, and for the health and vigor of all vegetation communities, while positively impacting the traditional land uses.

Strategy 1. Maintain native riparian wildlife habitat through easement protections. Limitations will include standing tree removal, breaking of native habitats, removal of riparian vegetation, subdivision, house-site construction, game farming, grazing management, and commercial feed lots.

Strategy 1a. Exhibit A describes the grazing plan, which will utilize a Fall/Winter grazing system that will employ existing pastureland, as well as domestic hay and cropped fields.

Strategy 1b. Milk River Initiative easement projects attempt to achieve a 300 foot buffer zone composed of native riparian habitat, or a combination of native riparian habitat with wildlife habitat creation, restoration, and conservation practice projects. Because the existing Cottonwood Bend irrigation system drains on the eastern edges of the fields, creating wildlife habitat projects in this area within 300 feet of the Milk River would deem the agriculture operation on this Land inoperable. However, existing riparian habitat adjacent to irrigated fields provides effective wildlife cover and travel corridors. Exhibit D shows the combination of existing riparian habitat with proposed permanent cover restoration and DNC projects, which will provide 36 acres (300 foot buffer equivalency) of wildlife habitat per linear mile of Milk River frontage.

Strategy 1c. The Cottonwood Bend Easement Landowner will make reasonable efforts control noxious weeds where needed, in accordance to state law.

Objective 2. When demand exists, provide a minimum of 75 hunter days for deer, 100 hunter days for upland game birds, and 25 hunter days for waterfowl. In addition, a minimum of 50 angler days will be provided if the demand exists.

Access Strategies

Strategy 2. Provide hunter recreation through the existing FWP Block Management program. Current access is by walk-in only. By minimizing vehicular traffic, more secure areas for whitetail deer, pheasants, and turkeys are provided during the hunting season. (Exhibit C - Travel Plan).

Strategy 2a. Montana FWP will pursue agreements with adjacent landowners to allow hunter access for harvesting all available species.

Strategy 2b. Provide liberal season structures for all species. This will allow sportsmen the full opportunity to utilize this area for hunting to maintain healthy wildlife populations.

Habitat strategies

Strategy 2c. Healthy populations of upland game birds will result with the implementation of Strategies 1, 1a, 1b, and 1c. These strategies will provide quality nesting, brood rearing, and winter cover for these birds. These strategies will also provide improved year round habitat for whitetail deer, especially fawning and security habitat; nesting and brood rearing habitat for pheasants and turkeys; nesting habitat for waterfowl; and winter habitat for pheasants and sharp-tailed grouse.

Strategy 2d. Montana FWP and the Landowner will provide for both wildlife habitat and efficient irrigation flows through irrigation canals. This strategy will improve habitat by allowing vegetation on the outside banks of the canals to remain in the form of nesting and brood-rearing cover. Vegetation on the inside of canals will be controlled by the landowner by either mowing, or some other mechanical means to facilitate water flow. However, when the need arises where burning is needed to control noxious weeds or reed canary grass, the Landowner will notify FWP prior to implementation of the burn.

Strategy 2e. Implement FWP's Upland Game Bird Habitat Enhancement strategies on several areas as outlined in Exhibit D. These can include shelterbelts, DNC fields, wetland restorations, and food plots. During harvest of grain fields, 12 inches of stubble will be left standing. If crop height does not exceed 12 inches, then the minimum amount needed to cut grain will be practiced in order to maximize remaining stubble height. These fields will be cropped annually, except in occasional years where weed control is needed and fields are left fallow. Implementation of this strategy will enhance upland game bird habitat quantity and quality. This strategy will also benefit whitetail deer and waterfowl through improved habitat conditions. Plots within designated fields (see Exhibit D) will be converted into DNC and permanent woody vegetation. Shelterbelt opportunities will be explored. DNC fields located in OYU 1 (as identified in Exhibit A) can be hayed after July 15th every odd year. DNC fields located in the designated grazing area EYU1 can be hayed after July 15th every even year.

Objective 3. Maintain healthy wildlife populations within the available habitats, taking into account the negative impacts wildlife may cause on nearby private lands.

Strategy 3. Maintain a healthy, managed whitetail deer population through the use of liberal hunting seasons. This strategy will be utilized.

Strategy 3a. As long as the Block Management Program exists, the Block Management plan for this ranch can provide areas of security for whitetail deer during the hunting season. This strategy can assist in keeping deer from moving onto adjacent ranches that allow limited or no hunter access. This always been in the Block Management Program and has provided an average of 175 hunter days.

Strategy 3b. Montana FWP will pursue agreements with adjacent landowners to allow hunter access for harvesting whitetail deer. This strategy will be an ongoing effort to alleviate depredation problems with whitetail deer in the area.

Objective 4. Provide non-hunting recreational and educational opportunities to the public through the viewing of wildlife, fishing, and various educational uses.

Strategy 4. Public opportunity for wildlife viewing will be enhanced through the Strategies found in Objective 1, as well as Strategies 2d and 2e. Improved populations of game and non-game species of birds and mammals will result from these habitat improvements and provide for public viewing. Access for wildlife viewing will continue to be on a permission basis from the Landowner.

Strategy 4a. Provide a minimum of 50 angler days of fishing. Fishing opportunities exist along the Milk River. Game fish commonly found in these areas include channel catfish, northern pike, and walleye. Fishing opportunities for the public will continue to be available through controlled access by the Landowner.

Strategy 4b. The Landowner may allow the property to be utilized for educational purposes associated with schools and various organizations. This conservation easement will demonstrate how traditional land uses can be implemented in a manner that benefits wildlife while maintaining a successful agricultural operation.

Exhibit A – Grazing

Cottonwood Bend will be divided into two fall/winter grazing units designed to allow alternating grazing and rest periods in accordance with Montana Department of Fish, Wildlife and Parks (FWP) standards for livestock grazing as described in the easement document. One unit will be grazed for the fall/winter season beginning in an even ending year (2010, 2012, etc.) and rested in odd ending years, and the other unit will be grazed for the fall/winter season in an odd ending year (2011, 2013, etc.) and rested in even ending years. Cottonwood Bend and the Bernie Hart CE are currently grazed in conjunction with each other. As long as this continues, the grazing plan for Cottonwood Bend will coincide with the Bernie Hart grazing plan, with each parcel having a North Pasture and a South Pasture.

This will require 0.3 miles of cross fencing, and 0.55 miles of fencing to protect proposed habitat projects to be constructed. At this time, significant watering sources exist to accommodate this plan in the South Pasture. An old well exists in the North Pasture and has an electrical supply, but will need to be rejuvenated to accommodate this plan in the North Pasture. Approximately 100 yards of pipeline and a watering tank will need to be constructed so livestock are not watered next to riparian zones.

In the year when a pasture is scheduled for grazing the maximum allowable level of use is 80 AUMs, until full feeding commences. Once full feeding operations commence, livestock are no longer reliant on grazing but rely mainly on feed provided by the landowner. At this time, livestock present can exceed 80 AUMs, but not exceed the combined Hart CE and Cottonwood Bend CE AUM totals of 280 AUMs. Feeding will not occur next to riparian zones. (One AUM = 1 cow with calf grazing for one month.)

Livestock will be permitted within the designated “Livestock Even Year Use” area every even year, between the starting date of October 15 and ending date of May 1. This includes the North Pasture area labeled EYU 1, and will be grazed concurrently with the Hart CE North Pasture.

Livestock will be permitted within the designated “Livestock Odd Year Use” area every odd year, between the starting date of October 15 and ending date of May 1. This includes the South Pasture area labeled OYU 1, and will be grazed concurrently with the Hart CE South Pasture.

Table 1: Pasture use designations for dates starting October 15, and ending May 1.

Year	North Pasture (EYU 1)	South Pasture (OYU 1)
2010	Yes	No
2011	No	Yes
2012	Yes	No
2013	No	Yes
2014	Yes	No
2015	No	Yes
2016	Yes	No
2017	No	Yes
2018	Yes	No
2019	No	Yes

Exhibit A (Continued) – Grazing

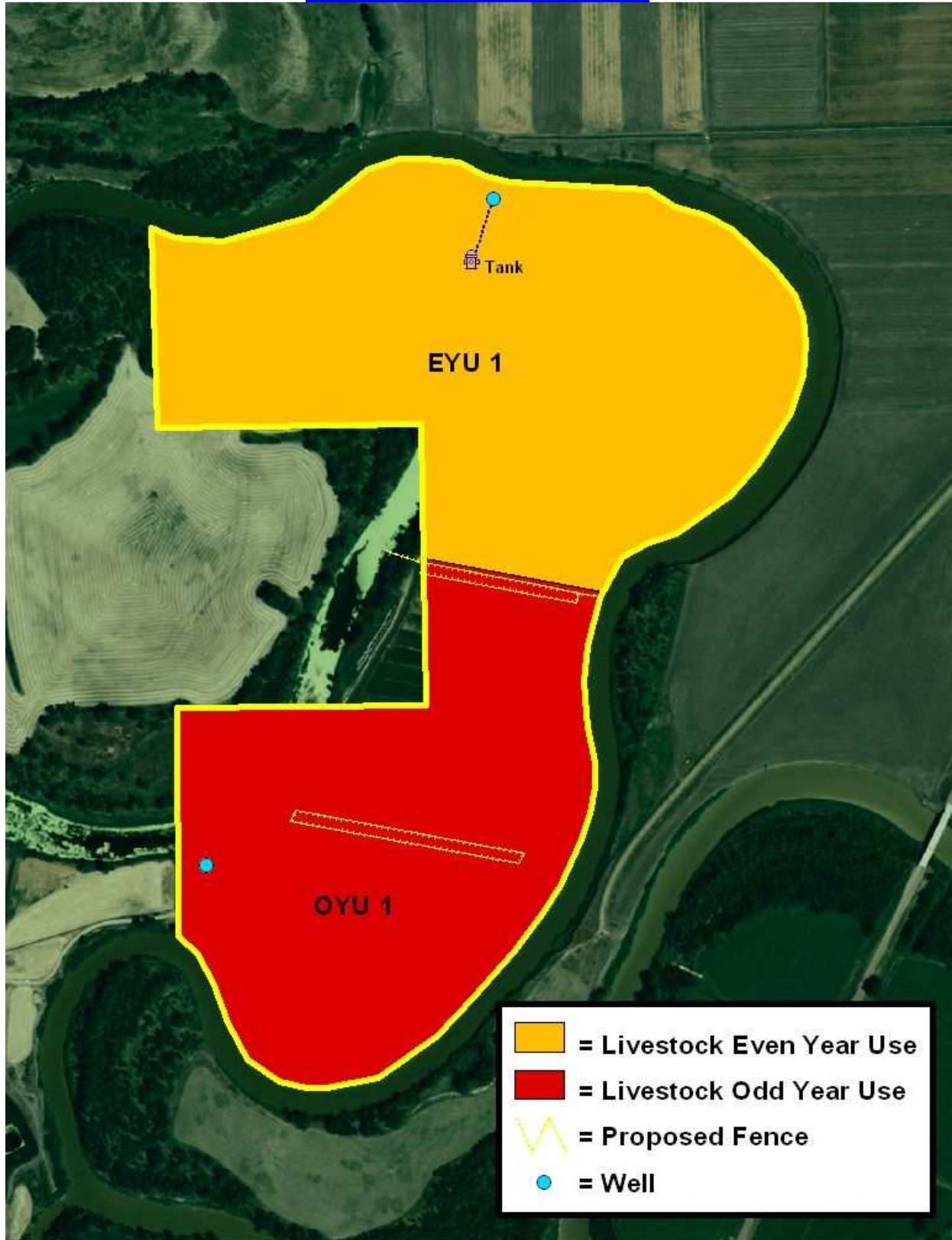


Exhibit B - Fields

Existing fields prior to construction of Habitat Projects (Exhibit D)



Exhibit C – Travel

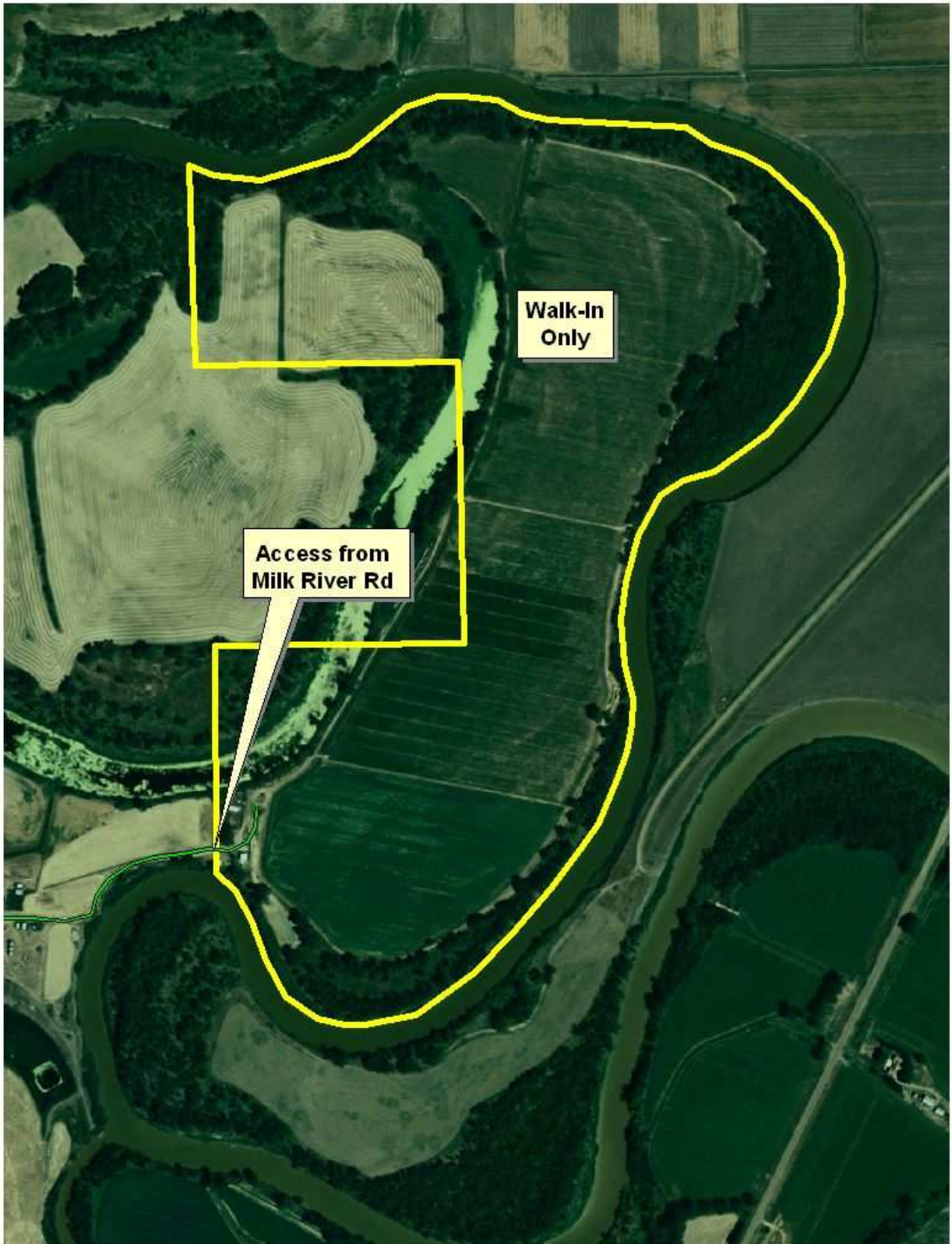
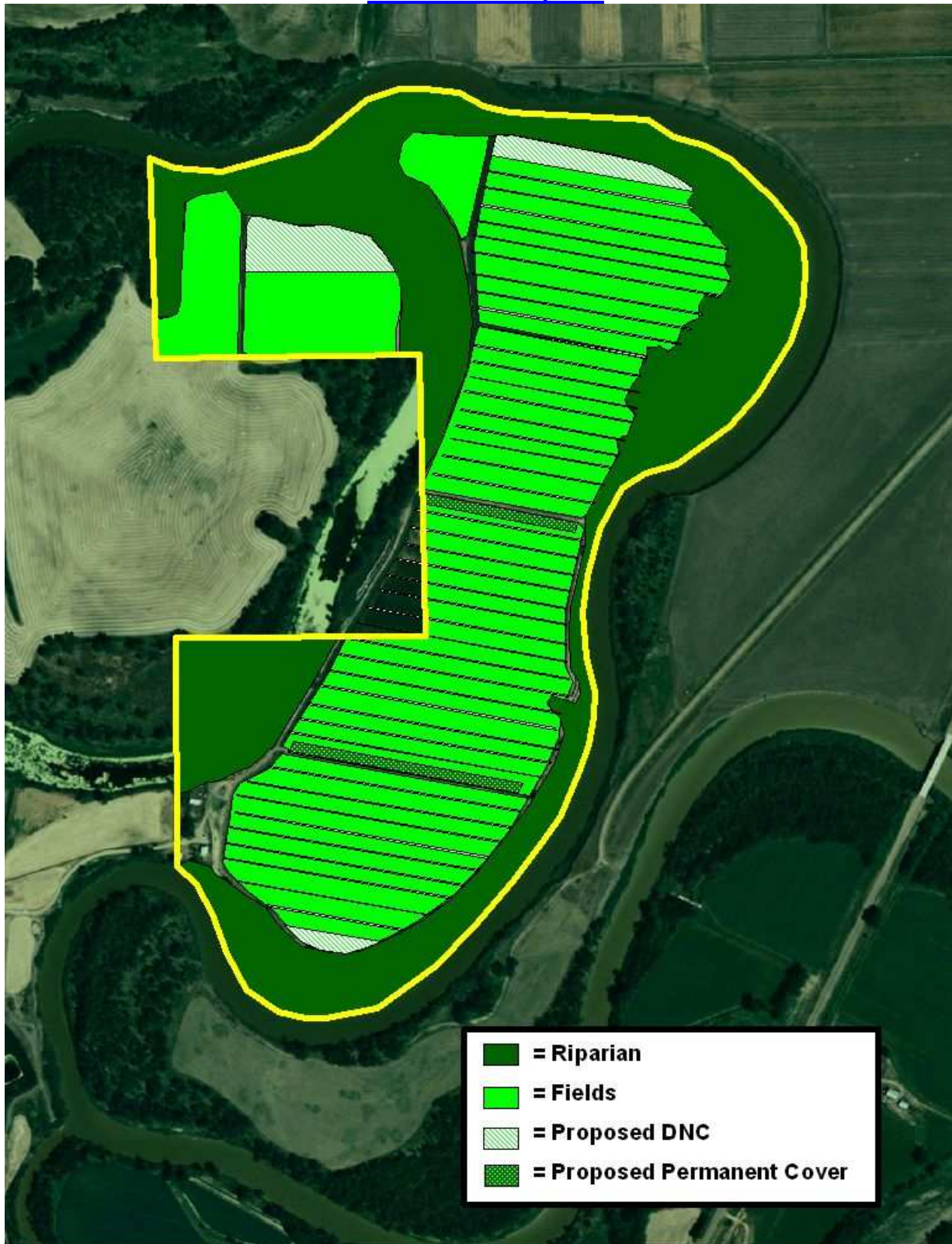


Exhibit D - Composite



APPENDIX III

COTTONWOOD BEND
CONSERVATION EASEMENT
DRAFT SOCIO-ECONOMIC ASSESSMENT

MONTANA FISH, WILDLIFE AND PARKS

Prepared by:
Rob Brooks & Kelvin Johnson
April, 2010

I. INTRODUCTION

Montana FWP has the authority under State Law (87-201, Montana Code Annotated) to protect, enhance, and regulate the use of Montana's fish and wildlife resources for public benefit now and in the future. As with other FWP property acquisition proposals, the Fish, Wildlife and Parks Commission and the State Land Board (for easements greater than 100 acres or \$100,000) must approve any easement proposal by the agency. Socioeconomic assessments are a part of the Environmental Assessment (EA) process, and evaluate the significant social and economic impacts of the purchase on local governments, employment, schools, and impacts on local businesses.

This socioeconomic evaluation addresses the purchase of a conservation easement on property currently owned by Donna Christensen. The report addresses the physical and institutional setting as well as the social and economic impacts associated with the proposed conservation easement.

II. PHYSICAL AND INSTITUTIONAL SETTING

A. Property Description

The 164 acre Cottonwood Bend property is located in Valley County about 2 miles north of Hinsdale, Montana. The property lies along the Milk River. The property consists of riparian habitat, hay meadows, and managed cropland. The management plan for the property has a detailed description of the habitat types and acreage.

B. Habitat and Wildlife Populations

The Cottonwood Bend property supports whitetail deer, upland game birds including pheasants and sharp-tailed grouse, waterfowl, Merriam's turkeys and a host of other species that call these habitats home.

C. Current Use

The Cottonwood Bend property is a working ranch that raises hay, livestock, and cereal crops.

D. Management Alternatives

- 1) Purchase a conservation easement on the property by MFWP
- 2) No purchase

MFWP Purchase of Conservation Easement

The intent of the Cottonwood Bend Conservation Easement is to protect and enhance the wildlife habitat currently found on the property while maintaining the agricultural character of the property. Please refer to the Deed of Conservation Easement for a thorough explanation of the terms for this easement between MFWP and the Cottonwood Bend property.

No Purchase Alternative

The second alternative, the no purchase option, does not guarantee the protection the native habitats nor protect this land from future subdivision development, changes in land uses, or secure access for the public into the future.

This alternative requires some assumptions since use and management of the property will vary depending on what the current owners decide to do with the property if MFWP does not purchase a conservation easement.

The economic impacts associated with this alternative have not been estimated.

III. SOCIAL AND ECONOMIC IMPACTS

Section II identified the management alternatives this report addresses. The purchase of a conservation easement will provide long-term protection of important wildlife habitat, keep the land in private ownership and provide for public access for hunting. Section III quantifies the social and economic impacts of this management option following two basic accounting stances: financial and local area impacts.

Financial impacts address the cost of the conservation easement to MFWP and discuss the impacts on tax revenues to local government agencies including school districts.

Expenditure data associated with the use of the property provides information for analyzing the impacts these expenditures may have on local businesses (i.e. income and employment).

A. Financial Impacts

The conservation easement proposed on the Cottonwood Bend property will be secured by dollars from the Upland Game Bird Enhancement Program, which is funded by sportsmen dollars, and from the State Wildlife Grants Program, and Montana Fish and Wildlife Conservation Fund. MFWP's financial obligation is estimated to be in the range of \$125,000 to \$200,000, pending appraisal.

Maintenance/management costs related to the easement are associated with monitoring the property to insure the easement terms are being followed.

The financial impacts to local governments are the potential changes in tax revenues resulting from the purchase of the conservation easement. The conservation easement will not change the ownership of the property nor will it change the type or level of use on the property. Therefore, the purchase of a conservation easement on this land will have no impact on the current level of taxes paid to Valley County.

B. Economic Impacts

The purchase of a conservation easement will not affect the agricultural activities on the Cottonwood Bend property. The number of livestock run on the property will not change. However a rest rotation grazing system will be implemented under the terms of the conservation easement. The financial impacts to local businesses will be neutral given there is no significant changes to the agricultural practices on the property.

The easement will provide access for hunting. The number of hunters and number of hunter days are defined in the conservation easement agreement. Based on the minimum number of annual hunter days specified in the conservation easement, the hunters utilizing the Cottonwood Bend property will contribute about \$25,000 annually to businesses in the local economy.

IV. FINDINGS AND CONCLUSIONS

The conservation easement will provide long-term protection for wildlife habitat, maintain the agricultural integrity of the land, and ensure public hunting opportunities. The purchase of a conservation easement by MFWP will not cause a reduction in tax revenues on this property from their current levels to Valley County.

The agricultural/ranching operations will continue at their current levels. The financial impacts of the easement on local businesses will be neutral to slightly positive in both the short and long run.